

of 1848. The country was then emerging from the effects of a financial crisis and the discount houses had again lost public confidence. The government on this occasion sought the co-operation of the business community in establishing discount offices. They required that a third of the capital be furnished by individuals or municipalities, the other two thirds being represented by Treasury bonds and municipal obligations. Some of the offices received in addition a loan in specie, upon which they were required to pay four per cent interest to the Treasury. Most of these loans were reimbursed at the end of two years and several of the discount offices afterwards repaid the capital advanced by the State and became private banks. The Paris office became the *Comptoir d'Escompte*, which established branches in India, Japan, and the Antilles/ and carried on some operations in finance. It was wrecked by advances of 130,000,000 francs to the great copper syndicate in 1888, and its ruin was proclaimed by the suicide of the director, M. Denfert-Rochereau, on March 5, 1889.^s The Bank of France was compelled from 1848 to 1852 to make many renewals of its discounts, but the amount thus outstanding was reduced on December 31, 1856, to 772,500 francs (\$150,000).*

The success of the departmental banks was already so great before 1840 that the Bank of France was stimulated to avail itself again of the right to establish branches in the leading cities of the country and a contest which has not yet ended arose among bankers and economists as to the relative wisdom of granting a monopoly of note issues to a institution or permitting such issues by local

The advocates of monopoly won a partial triumph by the Act of June 30, 1840, which prolonged the privileges of the of France until December 31, 1867, and declared

no departmental bank should thenceforth be

nor the privileges of existing banks prolonged,

by
of a special law. The ordinance of March 25,
184.1, which

¹Courcelle-Seneuil, 194.

²Jannet, 325-26.

³Courtois, 178-187.